

**RULES
OF
THE TENNESSEE DEPARTMENT OF STATE
DIVISION OF BUSINESS SERVICES**

**CHAPTER 1360-8-3
UNIFORM COMMERCIAL CODE
INFORMATION MANAGEMENT SYSTEM**

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1360-8-3-.01 POLICY STATEMENT.

- (1) The filing officer uses an information management system to store, index, and retrieve information relating to financing statements. The information management system includes an index of the names of debtors named on financing statements which have not lapsed. The rules in this section describe the UCC information management system.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.02 PRIMARY DATA ELEMENTS.

- (1) The primary data elements used in the UCC information management system are the following.

- (a) Identification numbers.

1. Each initial financing statement is identified by its file number as described in rule 1360-8-1-.02(e). Identification of the initial financing statement is stamped on written UCC documents or otherwise permanently associated with the record maintained for UCC documents in the UCC information management system. A record is created in the information management system for each initial financing statement and all information comprising such record is maintained in such system. Such record is identified by the same information assigned to the initial financing statement.
 2. A UCC document other than an initial financing statement is identified by a unique file number assigned by the filing officer. In the information management system, records of all UCC documents other than initial financing statements are linked to the record of their related initial financing statement.

- (b) Type of document. The type of UCC document from which data is transferred is identified in the information management system from information supplied by the remitter.

(Rule 1360-8-3-.02, continued)

- (c) Filing date and filing time. The filing date and filing time of UCC documents are stored in the information management system. Calculation of the lapse date of an initial financing statement is based upon the filing date.
- (d) Identification of parties. The names and addresses of debtors and secured parties are transferred from UCC documents to the UCC information management system using one or more data entry or transmittal techniques.
- (e) Status of financing statement. In the information management system, each financing statement has a status of active or inactive.
- (f) Page count. The total number of pages in a UCC document is maintained in the information management system.
- (g) Lapse indicator. An indicator is maintained by which the information management system identifies whether or not a financing statement will lapse and, if it does, when it will lapse. The lapse date is determined as provided in rule 1360-8-4-.05.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.03 NAMES OF DEBTORS WHO ARE INDIVIDUALS.

- (1) For the purpose of this rule, "individual" means a human being, or a decedent in the case of a debtor that is such decedent's estate. This rule applies to the name of a debtor or a secured party on a UCC document who is an individual.
 - (a) Individual name fields. Separate data entry fields are established for first (given), middle (given), and last names (surnames or family names) of individuals. The filing officer assumes no responsibility for the accurate designation of the components of a name but will accurately enter the data in accordance with the filer's designations.
 - (b) Titles and prefixes before names. Titles and prefixes, such as "doctor," "reverend," "Mr.," and "Ms.," shall not be entered in the UCC information management system.
 - (c) Titles and suffixes after names. Titles or indications of status such as "M.D." and "esquire" shall not be entered in the UCC information management system. Suffixes, such as "senior," "junior," "I," "II," and "III," are entered in a field designated for name suffixes.
 - (d) Truncation – individual names. Personal name fields in the UCC database are fixed in length. Although filers should continue to provide full names on their UCC documents, a name that exceeds the fixed length is entered as presented to the filing officer, up to the maximum length of the data entry field. The length of data entry name fields are as follows.
 - 1. First name: 30 characters.
 - 2. Middle name: 30 characters.
 - 3. Last name: 75 characters.
 - 4. Suffix: 5 characters.

(Rule 1360-8-3-.03 continued)

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.04 NAMES OF DEBTORS THAT ARE ORGANIZATIONS.

- (1) This rule applies to the name of an organization who is a debtor or a secured party on a UCC document.
 - (a) Single field. A single field is used to store an organization name.
 - (b) Truncation – organization names. The organization name field in the UCC database is fixed in length. The maximum length is 75 characters. Although filers should continue to provide full names on their UCC documents, a name that exceeds the fixed length is entered as presented to the filing officer, up to the maximum length of the data entry field.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.05 ESTATES.

- (1) Although they are not human beings, estates are treated as if the decedent were the debtor under rule 1360-8-3-.03.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-503(a), 47-9-519, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.06 TRUSTS.

- (1) If the trust is named in its organic document(s), its full legal name, as set forth in such document(s), is used. Such trusts are treated as organizations. If the trust is not so named, the name of the settlor is used. If a settlor or a trustee is indicated to be an organization, the name is treated as an organization name. If the settlor or trustee is an individual, the name is treated as an individual name. A UCC document that uses a settlor's name should include other information provided by the filer to distinguish the debtor trust from other trusts having the same settlor and all financing statements filed against trusts or trustees acting with respect to property held in trust should indicate the nature of the debtor. If this is done in, or as part of, the name of the debtor, it will be entered as if it were a part of the name under rules 1360-8-4.08 and 1360-8-4.09.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-503(a), 47-9-519, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.07 INITIAL FINANCING STATEMENT.

- (1) Upon the filing of an initial financing statement the status of the parties and the status of the financing statement shall be as follows.
 - (a) Status of secured party. Each secured party named on an initial financing statement shall be a secured party of record, except that if the UCC document names an assignee, the secured party/assignor shall not be a secured party of record and the secured party/assignee shall be a secured party of record.
 - (b) Status of debtor. The status of a debtor named on the document shall be active and shall continue as active until one year after the financing statement lapses.

(Rule 1360-8-3-.07, continued)

- (c) Status of financing statement. The status of the financing statement shall be active. A lapse date shall be calculated, five years from the file date, unless: the initial financing statement indicates that it is filed with respect to a public-financing transaction or a manufactured-home transaction, in which case the lapse date shall be thirty years from the file date; or the initial financing statement indicates that it is filed against a transmitting utility, in which case there shall be no lapse date. A financing statement remains active until one year after it lapses, or if it is indicated to be filed against a transmitting utility, until one year after it is terminated with respect to all secured parties of record.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-511, 47-9-514(a), 47-9-515, 47-9-519, 47-9-522(a), 47-9-526.
Administrative History: Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.08 AMENDMENT.

- (1) Upon the filing of an amendment the status of the parties and the status of the financing statement shall be as follows.
 - (a) Status of secured party and debtor. An amendment shall affect the status of its debtor(s) and secured party(ies) as follows:
 - 1. Collateral amendment or address change. An amendment that amends only the collateral description or one or more addresses has no effect upon the status of any debtor or secured party. If a statement of amendment is authorized by less than all of the secured parties (or, in the case of an amendment that adds collateral, less than all of the debtors), the statement affects only the interests of each authorizing secured party (or debtor).
 - 2. Debtor name change. An amendment that changes a debtor's name has no effect on the status of any debtor or secured party, except that the related initial financing statement and all UCC documents that include an identification of such initial financing statement shall be cross-indexed in the UCC information management system so that a search under either the debtor's old name or the debtor's new name will reveal such initial financing statement and such related UCC documents. Such a statement of amendment affects only the rights of its authorizing secured party(ies).
 - 3. Secured party name change. An amendment that changes the name of a secured party has no effect on the status of any debtor or any secured party, but the new name is added to the index as if it were a new secured party of record.
 - 4. Addition of a debtor. An amendment that adds a new debtor name has no effect upon the status of any party to the financing statement, except the new debtor name shall be added as a new debtor on the financing statement. The addition shall affect only the rights of the secured party(ies) authorizing the statement of amendment.
 - 5. Addition of a secured party. An amendment that adds a new secured party shall not affect the status of any party to the financing statement, except that the new secured party name shall be added as a new secured party on the financing statement.
 - 6. Deletion of a debtor. An amendment that deletes a debtor has no effect on the status of any party to the financing statement, even if the amendment purports to delete all debtors.

(Rule 1360-8-3-.08, continued)

7. Deletion of a secured party. An amendment that deletes a secured party of record has no effect on the status of any party to the financing statement, even if the amendment purports to delete all secured parties of record.
- (b) Status of financing statement. An amendment shall have no effect upon the status of the financing statement, except that a continuation may extend the period of effectiveness of a financing statement.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-511, 47-9-512, 47-9-515(e), 47-9-519, 47-9-522(a), 47-9-526.
Administrative History: Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.09 ASSIGNMENT OF POWERS OF SECURED PARTY OF RECORD.

- (1) Status of the parties. An assignment shall have no effect on the status of the parties to the financing statement, except that each assignee named in the assignment shall become a secured party of record.
- (2) Status of financing statement. An assignment shall have no effect upon the status of the financing statement.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-514, 47-9-519, 47-9-522(a), 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.10 CONTINUATION.

- (1) Continuation of lapse date. Upon the timely filing of one or more continuations by any secured party(ies) of record, the lapse date of the financing statement shall be postponed for five years.
- (2) Status of parties. The filing of a continuation shall have no effect upon the status of any party to the financing statement.
- (3) Status of financing statement. Upon the filing of a continuation statement, the status of the financing statement remains active.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-515, 47-9-519, 47-9-522(a), 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.11 TERMINATION.

- (1) Status of parties. The filing of a termination shall have no effect upon the status of any party to the financing statement.
- (2) Status of financing statement. A termination shall have no effect upon the status of the financing statement and the financing statement shall remain active in the information management system until one year after it lapses, unless the termination relates to a financing statement that indicates it is filed against a transmitting utility, in which case the financing statement will become inactive one year after it is terminated with respect to all secured parties of record.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-513(d), 47-9-519, 47-9-522(a), 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.12 CORRECTION STATEMENT.

- (1) Status of parties. The filing of a correction statement shall have no effect upon the status of any party to the financing statement.
- (2) Status of financing statement. A correction statement shall have no effect upon the status of the financing statement.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-518(c), 47-9-519, 47-9-522(a), 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.13 PROCEDURE UPON LAPSE DATE.

- (1) If there is no timely filing of a continuation with respect to a financing statement, the financing statement lapses on its lapse date but no action is then taken by the filing office. On the first anniversary of such lapse date, the information management system renders or is caused to render the financing statement inactive and the financing statement will no longer be made available to a searcher unless inactive statements are requested by the searcher and the financing statement is still retrievable by the information management system.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-515, 47-9-522(a), 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.14 THROUGH 1360-8-3-.39 RESERVED.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-515, 47-9-522(a), 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.40 EDI DEFINITIONS.

- (1) For the purpose of rules relating to the electronic data interchange of documents, terms shall have the meaning provided in this rule, unless the context otherwise requires.
 - (a) "EDI" means the electronic data interchange of UCC documents, UCC search requests and related responses.
 - (b) "EDI document" means a UCC document transmitted from a remitter to the filing officer by EDI techniques authorized under this rule.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.41 EDI AUTHORIZED.

- (1) A remitter may be authorized for EDI upon the written authorization of the filing officer. The filing officer shall authorize a remitter to engage in EDI if (a) the remitter holds an account for the billing of fees by the filing officer, (b) the remitter has entered into a trading partner agreement, in form and substance satisfactory to the filing officer, with the filing office, and (c) the filing officer determines, after appropriate testing of transmissions in accordance with the filing officer's specifications, that the remitter is capable of transmitting EDI documents in a manner that permits the filing officer to receive, index, and retrieve the EDI documents. The filing officer may suspend or revoke the authorization when, in the filing officer's sole discretion, it is determined that a remitter's transmissions are incompatible with the filing officer's EDI system. A request to be authorized to transmit EDI documents shall be in writing and delivered to the filing officer. Upon receipt of a request for authorization, the filing officer shall provide the remitter with necessary information on the record

(Rule 1360-8-3-.41, continued)

layout of the transmission, including record length, format, network address for transmission, and other necessary specifications.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.42 ANSI STANDARD ADOPTED.

- (1) ANSI X12 transaction set 154, as adopted by the American National Standards Institute and in effect from time to time, is adopted in this state as the format for electronic transmission of UCC documents, although the filing officer shall, periodically and at the request of an authorized EDI remitter, identify which versions and releases of ANSI X12 154 are then in use by and acceptable to the filing office.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.43 IMPLEMENTATION GUIDE.

- (1) The filing office publishes an implementation guide that prescribes in further detail the use of ANSI X12 154 in the UCC filing system. The guide is available upon request made in writing to the filing office.
 - (a) The guide identifies the version(s) or release(s) of ANSI X12 154 currently in use by the filing office.
 - (b) The guide identifies the types of UCC documents and related responses that can currently be transmitted through EDI.
 - (c) The guide prescribes the manner of transmission of all information contained in a UCC document and any other information required for the filing office to fulfill its responsibilities under the UCC and these rules, including identification of UCC documents, information necessary to collect fees, identification of debtors and secured parties, description of collateral and the authentication of UCC documents.
 - (d) The guide may be amended from time to time. Notice of amendments will be provided to each remitter authorized to transmit EDI documents to the filing office not less than thirty (30) days prior to the effectiveness of the relevant amendment(s).

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.44 COLLATERAL CODES.

- (1) Collateral codes. For the purpose of EDI documents, a collateral code is a symbol adopted by rule by the filing officer standing for a description of collateral. Remitters authorized for EDI may petition the filing officer to adopt by rule a collateral code to correspond with the desired collateral description. The filing officer, in responding to a request for a copy of an EDI document, shall print or transmit the full text of the collateral description corresponding to the collateral code.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.45 DOCUMENT TYPES.

- (1) An EDI document shall be identified as to type by the transmission of the appropriate identifier required in the implementation guide referred to in rule 1360-8-3-.43. The filing officer, in responding to a request for a paper copy of an EDI document, shall print the full text of the relevant one of the following statements corresponding to the type of EDI document requested.
 - (a) For an initial financing statement: "Financing Statement – This financing statement is presented to the filing officer for filing pursuant to the Uniform Commercial Code."
 - (b) For a statement of amendment financing statement: "Amendment – The financing statement bearing the file number shown on this document is hereby amended as follows:"
 - (c) For an amended and restated financing statement: "Amendment – The financing statement bearing the file number shown on this document is hereby amended and restated in its entirety as follows:"
 - (d) For a statement of assignment of an interest in collateral: "Assignment – The secured party certifies that the assignee named in this document has been assigned some or all of the secured party's rights under the financing statement bearing the file number transmitted in this document."
 - (e) For a continuation statement: "Continuation – This continuation statement is being filed to continue the effectiveness of the financing statement bearing the file number transmitted in this document."
 - (f) For a termination statement: "Termination – The secured party certifies that the financing statement bearing the file number transmitted in this document is no longer effective with respect to such secured party."
 - (g) For a correction statement: "Correction – The filer believes that the information contained in the financing statement is inaccurate or the financing statement was wrongfully filed."

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.46 IDENTIFICATION OF SECURED PARTY.

- (1) When an EDI document requires the name of a secured party, the name of a secured party of record, or the address of a secured party, the remitter shall transmit to the filing officer a secured party identification number assigned by the filing officer if such a number is assigned. The filing officer, in responding to a request for a paper copy of an EDI document, shall print the full name and address of the secured party corresponding to the identification number. A list of secured parties identified by the filing officer pursuant to this rule is available from the filing office.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.47 REFUSAL OF EDI DOCUMENT.

- (1) A record transmitted to the filing officer that is not machine-readable, has been refused under rule 1360-8-2-.03, or does not contain the information required by the implementation guide referred to in rule 1360-8-3-.43 in an acceptable format shall be refused. The filing officer shall provide regularly scheduled (not less frequently than daily) electronic notices to the relevant remitter containing identification of EDI documents refused and appropriate error codes or explanations for the refusal as provided in rule 1360-8-2-.06 when possible. However, records that cannot be read because they are garbled or are in improperly structured data packets, or which are received from persons not authorized for EDI by the filing office will not receive a refusal response. Readable transmissions from authorized transmitters will generate electronic confirmation of acceptance or rejection.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-516, 47-9-519, 47-9-520, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.48 ACCEPTANCE AND ARCHIVES.

- (1) Upon acceptance of an EDI document for filing, a report shall automatically be generated which shall contain all of the information related to the document including all information transmitted by the remitter for inclusion in the document as prescribed by the implementation guide referred to in rule 1360-8-3-.43. The information contained in the report shall promptly be rendered and stored in a record. The filing officer shall provide regularly scheduled (not less frequently than daily) electronic notices to remitters of accepted EDI documents to confirm such acceptance and the creation of such record.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-523, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.51 EDI UCC SEARCH REQUESTS.

- (1) UCC search requests may be submitted electronically by persons authorized to submit EDI documents in the manner set forth in the implementation guide referred to in rule 1360-8-3-.43. Unless otherwise specified in said implementation guide, accepted requests will generate searches conducted under the same search criteria applicable to search requests not submitted electronically.
- (2) Electronic search requests may be submitted only by persons who are authorized to transmit EDI documents pursuant to rule 1360-8-3-.41 and who have entered into arrangements acceptable to the filing officer for the payment of search and copy fees.
- (3) Responses to electronic search requests will be made available electronically as soon as practicable, in a manner to be specified in the implementation guide referred to in rule 1360-8-3-.43. Such responses may, for a time, be limited to a search report with copies of reported documents being made available by non-electronic means. Until such time as electronic responses are available in any form, responses to electronic search requests will be generated and transmitted in the same manner and by the same means as responses to non-electronic search requests.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-523, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.52 – 1360-8-3-.69 RESERVED.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-523, 47-9-526. **Administrative History:** Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.70 DIRECT ON-LINE (NON-EDI) DEFINITIONS. RESERVED.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-523, 47-9-526. *Administrative History:* Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.71 DOCUMENT FILING PROCEDURES. RESERVED.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-523, 47-9-526. *Administrative History:* Original rule filed October 23, 2000; effective January 6, 2001.

1360-8-3-.72 SEARCH REQUEST PROCEDURES. RESERVED.

Authority: T.C.A. §§ 4-5-202, 4-5-204, 47-9-519, 47-9-523, 47-9-526. *Administrative History:* Original rule filed October 23, 2000; effective January 6, 2001.